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SPECIAL REPORT

Chain Store Age

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SPECIAL ISSUE NEWS

Regular features of Chain Store Age, *such as the Touche Ross Management Development Course, do not appear in this issue because of the special Consumer Buying Intentions Study. They will return next month.*

Copies of the research data compiled for the CSA *study of 8,500 households may be purchased. For more information, contact Murray Forseter, editor.*

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Chain Store Age

The three faces of shopping

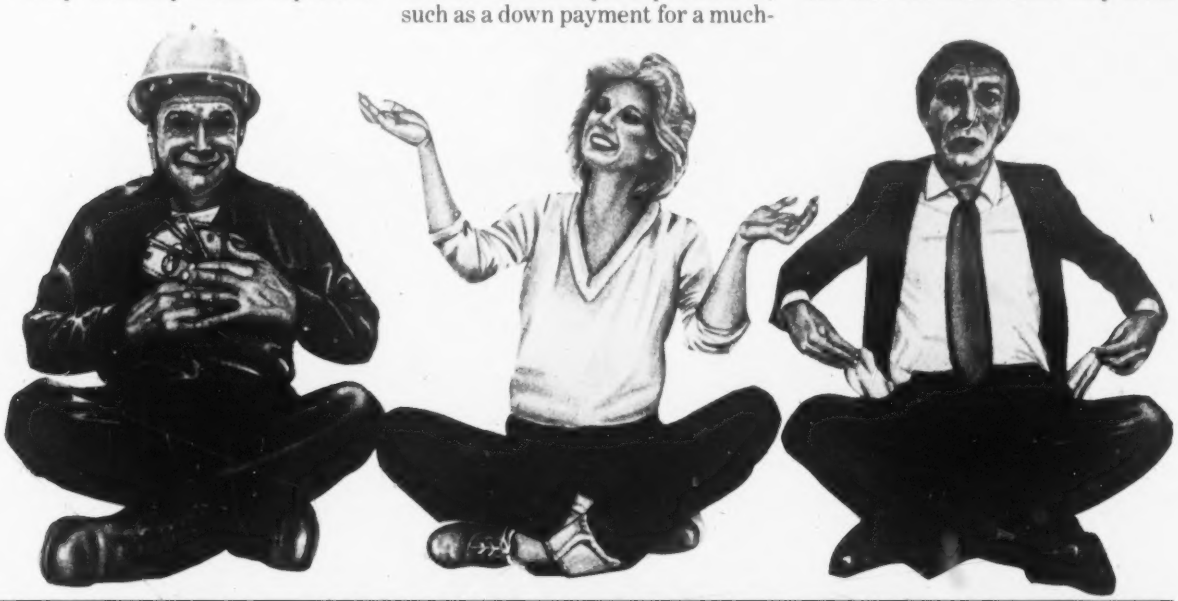
Lisa and Dennis Simmons have all the right demographic traits. They are 37, graduate school alumni, professionals. The parents of two children under 5, they own a three-bedroom house in Los Angeles and earn more than $40,000 a year.

They normally would represent the perfect demographic profile, the type of customers to which most retailers say they are targeting their marketing efforts.

But the Simmons (a pseudonym) are anything but typical spenders. They live paycheck to paycheck, occasionally experiencing negative cash flow when major expenditures, such as a down payment for a much-needed car, require them to withdraw from their savings account.

They are survivors, neither putting money aside for specific purchases nor for a rainy day simply because all of their income is needed just for living. Surviving.

The Simmons belie the assumption that survivors come only from



Profiling the three consumer groups

Savers	Hedgers	Survivors
	% of population	
33%	29%	38%
	Reasons for store selection	
Specialization Selection Satisfaction/past experience	Reputation Service/repair/warranty Quality	Credit Selection Family member works there/knows me
	Buying psyche	
Seek optimum fulfillment of resources	Take risks	Seek assurance
	Age	
Little deviation among all age groups	20% of under-25 population 22% of 65-plus population	Half of under-25 population 40% of 25-34 population 44% of 65-plus population
	Income	
44% of $30,000-plus population 23% of $15,000-under population	41% of $30,000-plus population 19% of $15,000-under population	16% of $30,000-plus population 58% of $15,000-under population
	Household size	
Little deviation in household size	23% of one-person households	47% of one-person households 46% of six-person-plus households
	Favored products	
Microwave cookware, luggage, DIY books, tennis racket, personal portable stereo, computer software, paperback romance novels, telephone, microwave oven, table place mats	Home photo-developing equipment, video cassette recorder, instant camera, electronic bug killer, patio furniture, video game machine, sewing patterns, facial moisturizer, blank video tapes, home computer	Recliner chair, watch, vacuum cleaner, electric fan, smoke detector, bathroom scale, tea kettle, phone answering machine, DIY book, printing calculator, paperback romance novel

Source: *CSA*/Leo Shapiro & Associates

Home-spun values highlight saving

Take an attitude toward money brewed during the Depression. Add a cupful of wartime memories and a pinch of taciturn farm-bred self-reliance, and the resulting mixture is the philosophy of Eleanor and Edward Prechtl.

They are savers and admit that childhood memories of not having enough to eat or money for new clothes makes them extra-careful today. Edward is a farmer and has been all his life. Eleanor, too, was raised on a farm. They live in a modest home in eastern Long Island, N.Y., surrounded by three acres of land housing their animals, farm equipment and a warehouse. Edward farms about 200 acres of rented land, potatoes being the main cash crop.

Their rural lifestyle almost belies the fact that neighbors living across the street in affluent developments commute two hours daily into New York City to work. The Prechtls have watched the area change from being totally farmland to today's mix of suburbs with only patches of cultivated land. While the city has come to them, they have not become citified. In fact, Eleanor goes into New York only once a year with her daughters to see a Broadway show and have dinner, but never to shop.

"When the children [they have four] were growing up, I shopped mostly through the catalogs—Sears and Spiegel particularly," Eleanor says. "There just weren't any stores out here—very few people either."

But as the area changed, stores popped up all over the place. Now Eleanor finds herself faced with the awesome task of trying to decide where to shop. In one direction is Smith Haven Mall with A&S, Macy's, Sears and more than 125 other stores. In another direction are Caldor, Marshall's and Burlington Coat Factory, and this is the direction Eleanor usually travels when she shops.

Prechtl: *well-made apparel, courteous help count the most.*

"I shop discounters because of price," she says. "I always seem to find what I want there, too. In the department stores everything is the same. I like Marshall's and I usually find something different there. I buy clothes that appeal to my taste, not because of a fancy name on the label."

She makes many of her own clothes and regards sewing as a hobby and as a way to save money. She examines apparel she purchases with a sewer'e eye. "I look at the seams, how things are put together. Clothing just isn't made as well as it used to be. Now I also look to see where it's made. With so many people in the country out of work, I think I should buy products made in America, even if I have to pay a little more for them," she states emphatically.

Eleanor shops only when necessary—"about once a month"—except for food, which she buys almost daily. She buys her husband's clothes as well. Even though she doesn't shop often, she doesn't part easily with her money. "I probably waste a lot of time," she says with a laugh. "I'm definitely not an impulse shopper. I'll go and look at an item two or three times before buying, and I'll check the prices at several stores. Sometimes I've been so slow to make up my mind that the store is out when I finally decide to buy."

She isn't swayed by advertising nor is she brand-conscious. What sends her scurrying away from retailers are rude salesmen and stores that are continuously out of stock. "The first time it's not so bad, but when I keep finding empty shelves, then it's just not worth going back," she explains.

Her home-spun virtues make her a bane to glamour retailers trading on status names and fashion fads. What she really wants is a clean shopping environment and good quality products.

But she is a good customer to have, nearly always paying cash. "We have credit cards—quite a few of them as a matter of fact—from stores and from the bank. We got a Master Card because we were traveling and someone said it'd be good for emergencies. That's about the only time we use it."

While Eleanor and Edward strongly believe in saving for a rainy day, they think the economy is improving. They didn't have to cut back too much during the last few years when things were bad since they have always lived within their means. Edward's income fluctuates every year, so savings are an important safety net for years when crops are bad.

But if money were no problem, Eleanor says she would like to travel and see more of America.

SAVERS, HEDGERS, SURVIVORS

Housewares items, specialty stores, *and broad assortments are especially appealing to savers.*

lower socioeconomic backgrounds. To be sure, most are from less educated and less affluent circumstances.

But, as in the case of the Simmons, many survivors are to be found among that group of people who have attained a certain standard of living, a lifestyle they are reluctant to cut back on. They have been forced to wheel and deal because of inflation during the last few years. They live on credit and drive BMW's. They put almost nothing in the bank, trusting their fate to . . . fate.

The declining trust in the country's governmental and economic institutions is a common thread found in this year's *Chain Store Age*/Leo J. Shapiro & Associates Consumer Buying Intentions Study.

Consumers have lost faith in Government and their employers' abilities to ensure their futures. Just a year ago the computer industry sparkled with opportunity. Few foresaw the thousands of workers who would be laid off by the devastating losses at Atari, Texas Instruments, Osborne and other high-tech companies.

So much for what *Megatrends* author John Naisbitt calls a "sunrise" industry. ("Sunset" employees such as steel and automotive workers have already been dealt destabilizing blows to their psyches.)

It's no wonder, then, that *CSA*/Shapiro found that 80% of the population feel they cannot trust their future to their employers or Government, the latter a reaction to problems in social security system funding and cutbacks in safety net programs.

The virtue of self-reliance

The public has come to realize it must itself save to provide for medical costs, retirement, children's education and other needs. Fewer than 1 in 4 consumers feels he can relax about the support systems that Government and his employer have in place. The proliferation of Individual Retirement Accounts (IRA's) testifies to the belief in self-reliance. Indeed, 1 in 4 Americans is acutely concerned about the need for self-reliance in the face of increasingly less reliable support from Government or employer.

It was just that uneasy feeling about the future that caused Dennis Simmons to change jobs. A Los Angeles County employee, Simmons went to law school at night and is now an associate of a large law firm. He's still playing catch-up with his salary, but his days as a survivor appear to be fewer than if he had kept his Government job.

Three equal groups

Survivors are but one of three groups of consumers delineated by the *CSA*/Shapiro research. The national telephone survey found the country segmented into almost equal parts.

Survivors comprise the largest group, at 38%. Savers equal 33% of the population. Hedgers account for the remaining 29%. The groups have distinctly different savings and purchasing needs and plans, thus creating marketing differences for retailers.

Merchants may either choose to specialize in goods that serve a particular group, or they may carry assortments that appeal to all. In the latter instance, advertising and display can be used to target in on the particular concerns of each segment.

As their name implies, savers focus on accumulating money to provide for future needs. The saver is either affluent enough to have money to put aside or is driven to do so despite modest circumstances by fear, a condition commonly associated with those who have lived through the Depression.

Fifteen per cent of all savers are over 65, while 22% are under 30. Mean income is $25,600 a year. One out of 3 savers has an income above $30,000. More importantly, 44% of the population earning over $30,000 are savers.

Savers are comparatively optimistic about the future. Half believe their income will improve in the next 12 months, while nearly 3

***Survivors, often under 25,** shop stores with wide selections.*

out of every 5 (58%) feel the nation's economy will improve at the same time.

Savers are relatively strong on purchases that are directly related to the home, which appears to be a stabilizing anchor in their lives.

Savers are dedicated to obtaining optimum fulfillment from their resources. They are interested in products that work with others—microwave cookware, computer software, do-it-yourself books.

In their reasons for choosing a store, savers look for specialty stores or retailers with good selections. When they part with their money, they want to be assured that the trip they make will pay out. They pick a retailer that will save them time in the decision-making process, not necessarily dollars. They rely on past experience and satisfaction to narrow their store choices.

Survivors need a different type of assurance when they go shopping. They need the assurance they will be able to make a purchase, so their most important criterion for selecting a store is its extension of credit.

Selection is a distant second in the consideration, followed closely by another symbol of assurance—the presence of a family member who works for the retailer.

Mean income is the lowest of the three groups at $17,900 a year. The average is brought down by the fact that survivors account for 58% of the total population earning no more than $15,000 a year. Just 16% of the households earning more than $30,000 fall in the survivor category.

It is not surprising, therefore, that nearly half of those who have cut back on their standard of living in the last year, and 46% of those who believe it will be harder to pay bills next year, are survivors. The grim outlook can be seen in the survivors' belief that someone in their household will either be laid off or work fewer hours in '84.

Survivors most frequently can be found at the extremes of society. They account for 47% of single-person households and 46% of households with six or more people.

In addition, half of the under-25 population, 40% of those 25-34 and 44% of those 65 and older are survivors.

In short, survivors—people who cannot put money aside for the future—are more often found among the young, when incomes may be limited and the future appears far away, and among the old, when income again may be limited and the future quite short.

Survivors show an inclination to buy products that make their lives more comfortable. They purchase passive products. *CSA*/Shapiro found that of 39 hard lines items studied, survivors opted most strongly for recliner chairs, watches, electric fans and phone answering machines. They expressed lower interest levels in such physical and mental involvement products as exercise equipment, tennis rackets, home computers and video games.

Hedgers are the most aggressive and active consumers. Though they represent the smallest segment of the population, they can be classified as risk-takers.

They are interested not only in building up their bank accounts for the future, but also for purchases of the moment. They are interested in new ways to use their time, so they invest heavily in durables such as video cassette recorders, home photo-developing equipment, home computers and patio furniture.

These purchases are not only costly but demand time investments to maximize their usefulness. The hedger retains the option of investing money or time in furthering a lifestyle.

Hedgers look for retailers with good reputations, good service and warranties. These retailer attributes counterbalance the hedger's assumption of risk. Hedgers express their risk-taking and their dependence on a retailer in their greater willingness, compared to savers and survivors, to purchase a store brand.

Like savers, hedgers put money in the bank. But the commitment to accumulate funds is different. Savers spend almost defensively. Hedgers, meanwhile, are quite free about moving away from saving as long as they have some money left as security. □

Selection counts more as economy improves

The economic millstone lightened, if not totally removed, from around their necks, consumers are once again flexing their spending muscles. Retailers expect the best Christmas in the last five years.

But the key to 1983 and 1984's glad tidings for merchants will be *selection*.

Results from this year's *Chain Store Age*/Leo Shapiro & Associates survey of consumer buying intentions show that selection dramatically increased in importance in the eyes of consumers asked to explain why they would frequent a store for hard lines.

More than 13% of the polling sample named selection as the one reason they would choose a store compared to 8.1% expressing a similar sentiment last year—a 64% gain.

By comparison, price and quality shifted marginally in consumer emphasis. Price went from 28.1% to 28.5%, while quality inched ahead from 8.1% to 8.3%.

These findings and more are part of *CSA*'s Third Annual Consumer Buying Intentions Study. The 8,500-household study gauged *readiness to buy in '84, not sales projections*, for 39 hard lines and 10 apparel items.

Affirming retail strategies

Within each retail tier and subtier, discernible patterns emerged, often paralleling chain marketing strategies. K mart, more price-competitive during the last year as it vigorously attempted to retake the high ground in discounting, came away with more price/discount mentions.

Department stores, meanwhile, are increasingly perceived as the place to shop hard lines because of wide selections and good quality, having upped these mentions by 38% and 95%, respectively.

Montgomery Ward displayed perhaps the most telling affirmation of its strategy to broadly introduce name brands into its mix while retaining features of its past strengths. Its selection score went from 3.2% to 11.4%, a 256% improvement. Customers perceived a quality improvement, and at the same time retained their strong allegiance to Ward's credit program.

Mail order is among the fastest-growing segments of retailing, and the data bear this out. Based on all who mentioned a store, mail order increased its market share from 1.3% to 3.7%, up 185%.

Mail order customers found the service more convenient than a year ago and tremendously more satisfying. They did not, however, provide more glowing reviews for the quality of mail order goods. Quite the contrary—its score dropped 47%.

Off-price, the other hot growth arena, jumped 16.7% in market share. Surprisingly, the increase came more from hard goods than apparel. The survey emphasis on hard goods may explain this anomaly.

Consumers again provided Ward with reason to be satisfied. Market share increased from 2.5% to 4.3%. Of the 29 identical items studied in 1982 and 1983, Ward improved its market share on 15; it lost some ground on just four products.

Four broad departments—housewares, consumer electronics, sporting goods and home/office—offer clues to the rankings.

Ward was found to be stronger for housewares, consumer electronics and home/office products, but weaker in sporting goods.

Penney came out stronger in housewares and home/office, weaker in the other two. Catalog showrooms showed weakness only in housewares, strength in all others. K mart's weak spot was in sporting

Selection gains importance at expense of price/quality for hard lines

Reasons for shopping hard lines	All stores		K mart		Other discount stores		Sears		Ward		Penney		Department store		Catalog showroom		Specialty store		Mail order		Off-price	
	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %
Price	28.1	28.5	62.4	70.8	67.8	58.3	20.5	20.2	23.9	24.4	21.0	30.7	37.0	23.0	69.9	70.1	19.9	20.8	53.7	27.5	48.9	57.5
Selection	8.1	13.3	7.4	7.0	6.2	9.5	6.7	14.7	3.2	11.4	9.9	20.9	15.4	21.2	4.1	6.2	19.4	22.6	6.8	6.4	4.9	14.8
Quality	8.1	8.3	3.3	2.4	4.1	6.1	19.6	16.2	10.4	12.1	15.7	13.5	8.2	16.0	5.6	7.3	11.2	10.9	12.3	6.5	5.3	6.9
Satisfaction	7.3	6.2	4.0	4.0	3.1	3.8	17.1	11.4	13.7	7.8	13.4	4.1	10.2	8.5	12.8	4.4	10.5	9.1	1.9	14.2	5.4	—
Location/ convenience	10.0	10.9	16.4	11.9	10.7	13.4	12.1	12.1	17.7	16.3	13.2	12.5	16.7	14.4	2.6	7.5	13.8	11.9	14.8	18.6	5.7	2.3
Credit access	1.9	2.2	—	0.4	0.3	1.1	7.6	7.1	14.3	15.5	16.0	8.1	3.8	4.6	—	0.7	0.6	0.7	0.8	2.7	—	--
Service/ repair/ guarantee	3.0	2.3	1.1	0.9	0.9	0.3	6.5	6.6	11.2	2.1	1.9	1.0	2.8	1.6	1.1	0.7	5.2	4.0	2.7	—	—	3.2
Other	5.3	6.9	1.3	1.3	2.6	3.0	5.3	8.2	0.7	6.6	6.3	4.4	1.6	5.3	0.9	1.6	12.8	14.3	0.8	12.7	16.9	7.4
Not answering	28.2	21.4	4.1	1.3	4.3	4.5	4.6	3.5	4.9	4.0	2.6	4.8	4.3	5.4	3.0	1.5	6.6	5.7	6.2	11.4	12.9	7.9

Source: *CSA*/Leo Shapiro & Associates

Montgomery Ward, K mart, mail order increase market shares

	K mart		Other discounters		Sears		Ward		Penney		Department store		Catalog showroom		Specialty store		Off-price		Mail order	
	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %	'82 %	'83 %
Total store	6.2	8.2	15.5	12.7	10.5	8.8	2.5	4.3	3.9	3.7	17.9	12.3	4.5	5.0	28.7	29.2	1.2	1.4	1.3	3.7
Hard goods	6.0	8.2	16.6	13.5	10.1	8.3	2.7	4.7	3.1	2.8	15.7	9.6	5.2	5.7	29.6	30.1	0.8	1.1	1.5	4.1
Apparel	7.6	8.5	7.6	7.2	12.7	12.4	1.5	2.1	9.6	9.2	33.3	30.9	0.2	—	21.1	23.2	3.9	3.4	0.4	0.4

Source: *CSA* Leo Shapiro & Associates — Base: all who named a store.

Purchase patterns

The three-tiered charts on these pages depict household purchase incidence/intentions and store market shares for 1983 and 1984. For example, 4.6% of the households polled bought a home computer in 1983. K mart was the store for 4.7% of those households. Without any advance motivation, such as promotions or sales, 7% of the sample said they would buy a home computer in 1984, 2.1% specifically naming K mart.

As a guideline, products with buying interest for 1984 of at least half the actual 1983 purchase incidence represent viable growth areas. The charts also show the comparative product vulnerability to household economic distress. Products are listed in descending order of vulnerability, reading left to right.

	Home computer		Video game	
	'83	'84	'83	'84
Outlet	4.6%	7.0%	10.8%	3.1%
K mart	4.7	2.1	12.9	8.7
Other discounters	14.0	9.7	18.5	18.5
Sears	2.3	1.5	12.9	19.6
Ward	9.3	2.1	7.3	9.2
Penney	4.7	2.7	3.2	3.9
Department store	—	14.2	4.8	15.0
Catalog showroom	4.7	5.2	7.3	0.9
Specialty store	58.1	58.6	21.8	22.0
All others	2.2	3.9	11.3	2.2

Source: *CSA* Leo Shapiro & Associates

Moderate economic vulnerability*

	Electronic bug killer		Tennis racket		Bike		Home photo equipment		Barbecue		File cabinet		Portable stereo		Microwave bakeware	
	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84
Outlet	3.5%	2.9%	4.6%	2.2%	10.3%	4.8%	1.1%	0.9%	10.2%	4.3%	4.2%	2.5%	9.8%	2.8%	9.3%	4.9%
K mart	2.4	6.3	6.3	5.9	5.0	10.1	3.1	3.8	16.7	19.7	9.6	11.5	3.8	5.8	3.7	4.1
Other discounters	12.2	10.8	13.7	11.8	11.8	15.9	12.5	7.3	17.7	17.3	17.3	17.5	19.0	12.5	16.2	14.4
Sears	29.3	26.1	3.2	4.7	15.1	12.4	3.1	14.4	8.3	18.1	17.3	21.6	7.6	9.9	15.0	25.8
Ward	7.3	2.4	5.3	9.6	—	2.0	12.5	7.7	4.2	5.2	6.7	10.4	5.7	5.8	6.3	5.2
Penney	2.4	3.1	2.1	2.2	1.7	—	3.1	—	1.0	5.3	1.9	2.2	2.8	2.1	1.2	6.8
Department store	7.3	7.9	3.2	5.8	3.4	2.2	—	1.7	11.5	8.5	1.9	4.3	3.8	10.4	16.2	12.5
Catalog showroom	2.4	—	3.2	4.6	3.4	3.7	—	1.7	10.4	4.8	2.9	1.5	7.6	9.2	10.0	12.7
Specialty store	9.7	23.1	53.7	52.2	36.1	41.4	46.9	61.6	2.1	7.3	27.9	24.3	29.4	37.5	3.7	3.2
All others	27.0	20.3	9.3	3.2	23.5	12.3	18.8	1.8	28.1	13.8	14.5	6.7	20.3	6.8	27.7	15.3

Source: *CSA* Leo Shapiro & Associates

Low economic vulnerability*

	Printing calculator		Luggage		Portable fan		Tea kettle		Vacuum		Place mat		Craft kit		Blank video tape	
	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84
Outlet	6.3%	1.8%	7.7%	3.6%	12.9%	3.2%	5.1%	2.3%	11.2%	6.2%	14.0%	4.8%	14.7%	6.4%	8.4%	4.9%
K mart	7.0	8.9	5.1	5.3	21.6	12.8	14.4	11.7	4.8	3.1	9.7	11.9	7.7	9.7	7.0	11.0
Other discounters	14.7	26.3	10.8	11.1	20.6	25.8	16.3	15.0	7.6	7.3	19.8	14.7	9.7	9.2	11.6	21.0
Sears	7.0	9.8	9.7	15.7	8.8	19.6	6.7	12.0	18.1	39.6	4.8	5.1	1.9	4.7	3.5	6.4
Ward	14.0	7.9	6.2	8.3	5.4	3.6	7.7	6.6	5.7	5.2	6.0	9.8	6.3	3.1	3.5	0.5
Penney	—	0.8	10.8	14.5	2.9	0.7	4.8	9.8	3.8	—	4.0	6.3	1.0	3.0	1.2	—
Department store	4.7	4.3	27.2	19.4	9.8	15.9	23.1	22.4	14.3	10.4	26.6	40.4	7.2	5.3	3.5	7.6
Catalog showroom	15.5	16.1	9.2	9.2	2.9	3.3	5.8	4.7	1.0	—	0.4	0.5	1.9	1.1	9.3	6.4
Specialty store	17.1	12.7	4.6	8.4	0.5	0.7	5.8	9.4	21.9	24.0	14.5	5.2	53.1	56.4	41.9	39.4
All others	20.0	13.2	16.4	8.1	27.5	17.6	15.4	8.4	22.8	10.4	14.2	6.1	11.2	7.5	18.5	7.7

Source: *CSA* Leo Shapiro & Associates

goods, while Other Discounters improved just in consumer electronics.

Specialty stores for housewares and sporting goods registered improvements; those for consumer electronics and home office did not. Mail order's increase came in housewares alone.

Neither department stores nor Sears produced any departmental gains. Indeed, department stores turned in significantly lower market shares in all four areas. Sears, meanwhile, had some individual product bright spots. Its market share for microwaves reached one-third of those purchased, up from one-quarter a year ago. Similarly, 1 out of 5 consumers vs. 1 out of 7, bought exercise equipment from the nation's largest retailer.

Overall, however, Sears' market share declined from 10.5% to 8.8%. Department stores, Penney and Other Discounters also experienced shortfalls, while K mart, specialty stores and catalog showrooms en-

*High economic vulnerability**

Patio furniture		Computer program		Video recorder		Microwave oven		Exercise equipment		Typewriter		Recliner chair		Car stereo		
'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	
4.8%	4.7%	3.9%	4.4%	4.8%	3.9%	6.7%	7.0%	9.4%	2.6%	4.2%	3.4%	6.3%	4.7%	7.3%	3.2%	Outlet
3.0	7.7	9.3	2.4	—	5.4	—	—	9.7	6.0	2.3	1.1	2.3	—	3.8	1.9	K mart
6.1	21.9	11.6	9.6	18.2	—	3.3	12.3	15.5	16.0	8.0	8.0	2.3	3.1	5.1	5.8	Other discounters
12.1	14.4	—	2.4	3.0	12.8	33.3	35.1	20.6	22.4	13.6	28.5	9.3	6.0	8.3	7.3	Sears
—	4.2	2.3	—	1.5	2.9	10.0	2.6	7.1	5.1	6.8	4.7	14.0	1.6	5.8	4.5	Ward
6.1	1.8	4.7	2.4	1.5	1.7	10.0	3.9	0.6	0.8	5.7	3.0	2.3	—	2.6	—	Penney
18.2	10.2	2.3	2.4	18.6	13.1	6.7	9.5	8.4	6.0	9.1	6.4	9.3	17.3	1.9	4.2	Department store
—	3.9	—	3.6	3.0	9.1	—	2.2	7.1	5.4	10.2	13.6	2.4	2.1	3.2	3.3	Catalog showroom
33.3	22.3	58.2	63.9	36.4	37.8	30.0	29.3	18.1	32.9	22.7	23.4	58.1	61.2	56.4	64.9	Specialty store
21.2	13.8	11.0	13.4	25.8	17.2	6.7	5.1	12.9	4.6	21.6	13.3	—	8.7	12.9	8.1	All others

*Households that bought in 1983, might buy in 1984. Base: all who named a store.

*Moderate economic vulnerability**

Answering machine		Watch		Garage opener		35mm camera		Instant camera		Telephone		Bathroom scale		
'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	
2.7%	2.7%	38.1%	6.5%	2.6%	2.7%	6.6%	3.7%	7.0%	2.6%	13.8%	16.9%	8.6%	3.4%	Outlet
2.9	6.1	10.3	9.0	2.6	4.2	5.4	6.6	10.2	14.3	4.6	4.1	14.4	13.3	K mart
4.4	10.2	18.9	18.9	5.1	4.7	7.6	17.1	19.0	24.3	11.9	7.0	19.2	24.6	Other discounters
7.4	11.6	3.8	6.1	53.6	47.5	3.9	5.9	7.3	6.5	—	1.8	8.0	22.1	Sears
—	1.7	2.2	2.8	2.6	2.1	1.6	4.9	2.9	7.2	0.9	—	5.6	6.8	Ward
—	1.7	4.9	1.5	—	1.0	1.6	2.5	5.8	6.8	2.8	—	3.2	5.6	Penney
13.2	9.3	9.2	16.1	5.1	3.4	4.7	6.9	5.1	6.6	7.3	2.0	12.8	16.2	Department store
10.3	5.3	15.1	13.7	2.6	—	16.3	11.4	11.7	2.1	—	5.4	13.6	5.0	Catalog showroom
39.7	47.6	16.2	22.7	2.6	6.6	39.0	35.2	13.1	26.7	65.2	74.0	2.4	1.7	Specialty store
22.1	6.5	19.4	9.2	25.6	28.5	20.7	7.5	16.9	9.3	7.3	5.7	20.6	2.7	All others

*Households that bought in 1983, might buy in 1984. Base: all who named a store.

*Low economic vulnerability**

Glassware tumbler		DIY instruction manual		Romance book		Smoke detector		Sewing pattern		Facial moisturizer		
'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	
15.5%	4.5%	13.0%	6.1%	15.1%	8.9%	12.1%	4.8%	17.6%	9.5%	28.6%	15.4%	Outlet
12.9	16.3	2.8	6.9	3.8	6.5	15.0	10.4	5.6	6.4	4.7	5.0	K mart
17.9	26.6	4.7	6.5	6.7	6.8	19.6	16.1	9.0	13.5	2.4	9.7	Other discounters
2.9	2.1	4.2	3.7	1.0	—	17.8	25.0	3.4	1.9	1.2	—	Sears
2.5	3.7	0.9	1.6	—	—	5.6	2.9	—	—	—	0.9	Ward
3.0	3.4	—	0.7	—	0.8	—	—	—	2.5	2.4	—	Penney
17.4	15.2	3.7	3.2	4.8	1.6	3.7	8.6	4.5	4.6	11.8	20.5	Department store
5.0	7.1	—	—	1.0	—	3.7	4.4	—	—	—	0.7	Catalog showroom
10.9	6.9	32.6	41.5	39.4	36.0	11.2	13.7	71.9	68.2	4.7	9.0	Specialty store
28.4	18.7	51.1	35.9	43.3	48.3	23.4	18.9	5.6	2.9	72.8	54.2	All others

*Households that bought in 1983, might buy in 1984. Base: all who named a store.

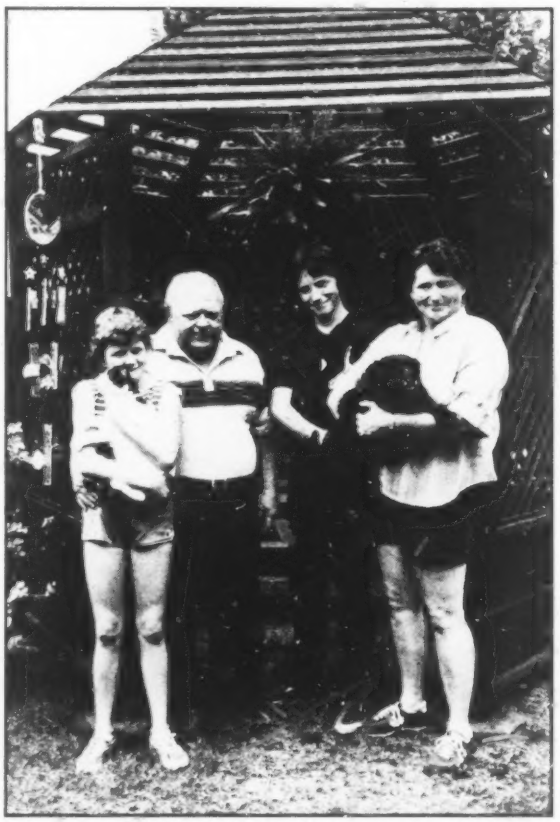
Spending triumphs over saving

Before she ever lays eyes on her paycheck, about 10% of Linda Bowers Duncan's net salary is skimmed into "forced" savings programs—profit-sharing and savings bonds. "The only kind of saving I do well," says the 40-year-old retail chain department manager, "is if they take it out before I see it."

Duncan is a hedger, constantly torn between spending and saving. But more likely than not, the Torrance, Calif., family's combined income of $25,000-$30,000 (including Duncan's retired father's social security payments and child support for Jason, 14, and Jennifer, 10½) is spent, not saved. Some of the "forced" savings are "rainy day," Duncan says—perhaps for college for the kids or for the future in general. Extra cash is saved for a short period, usually with a goal in mind. Last year's income tax refund, for example, has been earmarked for a vacation in Hawaii for the divorcee and her two children and tickets for the '84 Los Angeles Olympics.

Although Duncan looks for "good buys," she's not above spending impulsively. In the last two years, the family acquired a BetaVision ("on the spur of the moment," Duncan admits), a VIC-20 computer for Jason plus add-ons and software, an Intellivision II game player, a new microwave ("even though the old one was still good") and a hot tub, bought for Dad for therapeutic reasons, although it has since become a family gathering place.

The family lives thriftily—"we don't eat out or smoke or drink, and we cut back on credit cards and gifts"—and the general economic downturn has had little impact on their spending habits. "The house is paid for," says Duncan. "Our biggest expenses are clothing, food and insurance." Since her salary has kept ahead of inflation, she has felt confident enough to spend on a new car, vacations and home entertainment items that the whole family uses. While the Bowers-Duncan clan has wholeheartedly embraced the consumer electronics revolution, it tends to be more cautious when it comes to apparel and home improvement needs.



The Bowers-Duncans: thrifty living, impulse buying.

Though she has a plethora of stores to shop in the Greater Los Angeles Area, Duncan rarely shops around—but not without regrets. The computer cost over $200; now, says Duncan, the price has dropped to $189.99. She was forced to look elsewhere for a disc drive; however, even though her first-choice store offered a raincheck, she found the same item for less elsewhere.

Duncan mainly shops stores she's already familiar with, seeking quality and trusted store or brand names. "We've always bought quality—that hasn't changed," she says. "We've never bought at discount places like K mart or Gemco. I'd rather spend a little more and not get junk." She generally goes to department stores for apparel, although she does pick up basics at the chains—Levi's at Sears, underwear at Penney's.

Name alone is not enough when it comes to picking brands, Duncan feels. "There are a lot of name brands I never buy, either because I don't know them or [in apparel] I don't like the way the item fits," she says. She'll buy a store brand, particularly in hard lines, if she knows the store has a reputation for quality and backs up its products. When her father ran a machine shop before his retirement, she notes, he always bought tools that "had to last—either Black & Decker or Sears." She'll buy only from an established merchant: "I want to be sure the store's going to be there to fix it."

Since Duncan usually carries little cash, purchases are paid for by check or credit card. Cards are mainly reserved for impulse purchases (almost always "good deals," she says) and big-ticket items. She expects her credit card spending to remain about the same this year as last, although she'd like to lower her balances. "I pay a lot in interest," she explains.

Would she give up her credit cards if it meant saving a little? Not likely. "Credit cards are an American institution," she says. "But you have to control yourself. You can't let them get away from you."

Brands key to jeans shoppers

No store preference		Product	No brand preference	
1983	1984		1983	1984
8.6%	10.1%	Jeans (all)	23.8%	27.3%
11.3	11.5	Men's jeans	23.4	29.0
6.1	8.8	Women's jeans	24.2	25.7
14.8	12.9	Athletic shoes (all)	33.6	26.8
13.2	18.3	Men's athletic shoes	35.3	28.8
16.7	6.7	Women's athletic shoes	31.5	24.4
NS	13.1	Activewear (all)	NS	69.2
18.2	18.4	Men's activewear	69.1	73.5
NS	8.6	Women's activewear	NS	65.5
7.8	11.7	Infant sleeper	60.9	52.4
9.3	7.7	Children's overalls	41.7	47.4
NS	9.7	Bra/panties set	NS	57.0
NS	6.1	Dress (work or casual)	NS	84.8
12.3	12.1	Men's dress shirt	50.0	52.3
15.1	14.5	Men's casual slacks	55.8	59.8
NC	23.2	Men's fashion underwear	NC	47.8

NS Not studied
NC Not comparable
Source: *CSA*/Leo Shapiro & Associates

Store/brand loyalties rise

No store preference*				No brand preference*		
% 1981	% 1982	% 1983	Product	% 1981	% 1982	% 1983
38.2	33.5	38.1	Home computer	45.1	31.9	26.4
NS	NS	17.8	Computer program	NS	NS	27.7
57.7	37.0	32.3	Video tape recorder	54.4	39.6	33.8
18.6	30.5	9.5	Video game machine	29.5	22.9	13.7
40.9	20.4	22.8	Telephone	38.8	42.0	42.7
58.3	32.9	24.4	Phone answering machine	62.9	44.1	46.4
NS	NS	19.4	Blank video tape	NS	NS	35.7
NS	15.4	12.7	Personal portable stereo	NS	27.0	22.7
NS	17.8	16.0	Car stereo	NS	25.2	33.9
56.0	29.2	24.9	Microwave oven	58.6	33.0	29.9
NS	18.7	25.9	Microwave bakeware	NS	30.0	41.8
NS	NS	14.4	Glass tumbler	NS	NS	50.7
NS	NS	15.6	Enamel/porcelain tea kettle	NS	NS	54.9
NS	NS	16.5	Vacuum cleaner	NS	NS	18.3
NS	NS	4.9	Bathroom scale	NS	NS	50.0
NS	NS	14.1	Place mat	NS	NS	61.2
NS	NS	10.5	Portable fan	NS	NS	34.6
NS	NS	21.9	Smoke detector	NS	NS	42.0
NS	NS	22.2	Garage door opener	NS	NS	29.6
42.9	22.7	22.0	Electronic bug killer	58.3	54.8	59.1
45.8	31.9	20.6	Barbecue grill	56.9	46.0	43.2
NS	NS	25.5	Patio furniture	NS	NS	55.3
49.0	23.0	20.4	35mm camera	39.7	21.9	12.2
26.1	28.0	9.3	Instant camera	25.0	29.3	15.1
NS	NS	24.6	Home photo developing equipment	NS	NS	31.7
46.2	21.3	8.2	Home exercise equipment	56.7	60.9	42.1
31.3	15.9	13.8	Bicycle	36.2	34.9	32.3
NS	NS	9.8	Tennis racket	NS	NS	31.4
40.2	25.3	26.2	Steel file cabinet	55.0	51.4	55.3
NS	23.5	27.5	Typewriter	NS	27.5	35.2
NS	NS	22.7	Printing calculator	NS	NS	36.2
NS	14.0	14.8	Sewing pattern	NS	18.7	26.6
NS	19.5	12.0	Craft kit	NS	50.1	54.3
NS	NS	12.3	Paperback romance novel	NS	NS	41.5
NS	NS	12.2	DIY instruction book/ manual	NS	NS	55.4
49.9	24.3	17.4	Luggage	51.1	37.6	35.3
NS	NS	8.9	Recliner chair	NS	NS	30.9
NS	NS	15.9	Watch	NS	NS	18.7
NS	NS	11.8	Facial moisturizer	NS	NS	18.6

* Percentage of consumers without preference.
NS Not studied
Source: *CSA*/Leo Shapiro & Associates

joyed larger shares.

Store, brand preferences

For the second straight year, consumers displayed stronger store and brand preferences.

CSA/Shapiro has studied 14 identical hard lines items in the three years of the national polling. For all products, consumers were asked at what store they would shop and what brand, including store brand, they would buy.

In every instance the percentage of consumers with no store preference declined.

Eleven products pulled in greater brand preference scores, with two —electronic bug killers and steel file cabinets—marginally behind their '81 scores.

Twenty-three of the 39 hard lines products had 20% or lower "no store" preference. Last year only 15 products had less than a 20% ranking, and three products enjoyed that distinction in '81. This year six products managed to bring in at least a 90% store preference score, vs. no such distinction in both prior years.

In the brand preference tabulation, six products garnered 20% or lower ratings, vs. two in '82 and one in '81.

Apparel generally showed higher store preference and comparable brand preference to hard lines. In the year-to-year comparisons of apparel, three products—women's athletic shoes, men's dress shirts and children's overalls—had higher store preference percentages. Three others—men's casual slacks, men's jeans and men's activewear—had slight decreases.

Men's and women's athletic shoes and infant sleepers were the only products to achieve higher brand preferences, with women's jeans suffering a small decrease.

Best bets and even money

The nation's better economic picture produced firmer purchase patterns than a year ago. *CSA*/Shapiro found that purchase incidence vastly exceeded intentions expressed last year, a condition to be expected during a period of resurgence.

For '84, *CSA*/Shapiro uncovered five best bets and at least 15 even-money prospects. Home computers and software, telephone answering machines, microwave ovens and automatic garage door openers are best bets because the percentage of households that said they might buy these products in '84 exceeded the number that purchased them in '83.

The 15 other products, ranging from video cassette recorders and

*Department stores retain favored status**

Product	All households		K mart		Other discounters		Sears		Ward		Penney		Department store		Off-price	
	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84	'83	'84
Jeans (all)	58.8%	59.3%	7.3%	6.7%	5.6%	9.6%	11.1%	11.2%	1.3%	1.7%	10.3%	8.3%	32.1%	28.3%	6.0%	4.9%
Men's jeans	57.4	58.5	8.2	6.9	7.3	7.8	9.1	13.8	0.9	1.7	13.6	10.3	27.3	19.8	5.5	4.3
Women's jeans	60.3	60.2	6.5	6.5	4.0	11.3	12.9	8.9	1.6	1.6	7.3	6.5	36.3	36.3	6.4	5.6
Athletic shoes (all)	28.0	43.1	6.7	8.3	10.6	8.3	6.7	6.5	1.0	1.8	3.8	5.9	11.5	13.6	—	2.4
Men's athletic shoes	31.2	46.4	10.2	10.6	6.8	5.9	10.2	5.9	—	3.5	1.7	5.9	11.9	11.8	—	1.2
Women's athletic shoes	24.6	39.8	2.2	6.0	15.6	10.7	2.2	7.1	2.2	—	6.7	6.0	11.1	15.5	—	3.6
Activewear (all)	NS	23.8	NS	15.1	NS	8.6	NS	10.8	NS	1.1	NS	7.5	NS	35.5	NS	4.4
Men's activewear	12.5	21.9	—	22.5	4.4	10.0	13.3	17.5	—	2.5	17.8	2.5	40.0	30.0	6.7	2.5
Women's activewear	NS	25.7	NS	9.4	NS	7.5	NS	5.7	NS	—	NS	11.3	NS	39.6	NS	5.7
Infant sleeper	7.2	11.4	16.9	17.6	16.9	7.7	22.0	18.7	3.4	3.3	10.2	11.0	17.0	30.8	—	—
Children's overall	12.2	17.3	18.4	14.6	11.2	9.7	20.4	16.0	2.0	2.8	10.2	16.0	21.4	28.5	3.0	4.9
Bra/panties set	NS	25.0	NS	5.9	NS	6.9	NS	14.7	NS	2.9	NS	8.8	NS	43.2	NS	4.0
Dress (work or casual)	NS	43.4	NS	2.2	NS	5.4	NS	7.6	NS	1.1	NS	7.6	NS	48.9	NS	3.3
Men's dress shirt	24.1	58.9	4.3	4.3	5.4	2.6	14.0	15.5	3.2	2.6	11.8	9.5	26.9	31.9	7.6	1.7
Men's casual slacks	19.6	52.2	1.4	4.0	2.7	2.0	15.1	14.0	2.7	3.0	12.3	10.0	35.6	30.0	4.1	2.0
Men's fashion underwear	NC	15.4	NC	7.5	NC	5.7	NC	13.2	NC	—	NC	7.5	NC	43.4	NC	5.7

Source: *CSA*/Leo Shapiro & Associates NS Not studied NC Not comparable *Households that might buy. Base: all who named a store.

Mountain/W.N. Central states strongest buying intentions

Product	New England	Mid-Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Home computer	—	+	—	+	+[R]	—	—[R]	+	+
Computer program	+	?	?	?	—	—	+	?	?
Video tape recorder	—	?	—[R]	+	—	+[R]	—	+	?
Video game machine	?	?	—	+	?	+	—[R]	+[R]	—[R]
Telephone	—	?	?	+	?	—	?	–	+
Phone answering machine	—	?	—	+[R]	—	—	?	+	+
Blank video tape	?	—	?	—	—	—	+	+	?
Personal portable stereo	+	—[R]	?	+[R]	?	—	—	+	?
Car stereo	?	—	—	+	?	—	?	+	+
Microwave oven	+[R]	—	—	+	—	?	+	?	—[R]
Microwave bakeware	?	—	—	+	—[R]	?	+	+	?
Glass tumbler	+	?	—	?	—	—	?	+	?

+ Favorable buying intentions ?Moderate buying intentions —Poor buying intentions

[R]Reversal from 1982 (either + to – or – to +)

New England: Me., N.H., Mass., Vt., Conn., R.I. *Mid-Atlantic:* N.Y., N.J., Pa. *East North Central:* Ohio, Wis., Mich., Ill., Ind. *West North Central:* Minn., Iowa, Mo., Kan., Neb., S.D., N.D. *South Atlantic:* Del., D.C., Va., W. Va., N.C., S.C., Ga., Fla. *East South Central:* Ky., Tenn., Ala., Miss. *West South Central:* Ark., La., Okla., Tex. *Mountain:* Mont., Idaho, Wyo., Colo., N.M., Anz., Utah, Nev. *Pacific:* Wash., Ore., Calif., Alaska, Hawaii.

Source: *CSA* Leo Shapiro & Associates

vacuum cleaners to 35mm cameras and recliner chairs, represent real opportunities because the "might buy" percentages equaled at least half of the demand during '83.

Comparing consumer purchases for identical items during the three years of the study reveals some insights in product life cycles.

Telephones and computers, along with microwave ovens and bakeware, 35mm cameras, personal portable stereos, electronic bug killers and sewing patterns fall into steady growth patterns. Despite 1982's sour economy, purchases increased each year.

Video games shared that cyclical behavior, but the strong 10.8% showing of '83 is seen more as a last-ditch effort by game makers and retailers to dump inventory in response to the low-end computer business than a deep-seeded strength in category.

Video cassette recorders, telephone answering machines, home exercise equipment and steel file cabinets have see-saw buying patterns, with '83 being a year in which sales rebounded even higher than 1981's level.

Stagnant markets are seen for bicycles, typewriters, car stereos and craft kits, while trouble may be brewing for barbecue grills, ag-